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GOVERNOR



ANGELE DAVIS
COMMISSIONER OF ADMINISTRATION

State of Louisiana

Division of Administration
Office of State Purchasing

MEMORANDUM OSP 10-08

TO: All State Agencies and Political Subdivisions; Purchasing Departments; Purchasing Directors; Business Managers; Colleges and Universities; Boards and Commissions

FROM: Denise Lea *Denise Lea* Assistant Commissioner of Administration

DATE: February 23, 2010

RE: **Use of Statewide Contracts**

Various types of statewide contracts have been established by the Office of State Purchasing for your convenience. The majority of these contracts are non-mandatory use. Some of these contracts are line-itemized and product specific while others are catalog-wide with exclusions. You have always been encouraged to make a wise business decision when determining your use of statewide contracts. In this current economic climate it is crucial that you make a determined effort to be prudent in your purchasing decisions.

Prior to making a decision to utilize a non-mandatory statewide contract from which to make your purchase, you are strongly encouraged to consider the following. This list is not intended to be exhaustive.

- Review all items on the applicable contract.
- Compare features and prices on products where choices may be available for the same or similar products on other contracts.
- Catalog contracts providing "just-in-time" delivery should not be used to buy in bulk for stocking.
- Core items included on contracts, such as the office supply contract, should be purchased before considering other comparable items or alternate items in the balance of the line on the contract. In this instance, core items are always the best buy on the contract. Additionally, agencies are to use caution when purchasing "private label or company brand" products versus "OEM" products. The "private label or company brand" products may not always have the better price as the comparable OEM item.
- Conduct comparative pricing on the open market to determine if the item on contract is the best buy for your agency. Statewide contracts are developed to group the needs of several agencies, to standardize, to combine usage with the goal of obtaining lower prices, to ease the purchase process of commonly used items, etc. The mere fact that an item is on contract does not mean it is always the best value for your particular purchase.

It is our intent to monitor these contracts in order to ensure compliance. Please contact the Office of State Purchasing when evidence is discovered of contract infractions such as the ones listed below. Again, this list is not intended to be exhaustive.

- Unauthorized substitutions or the encouragement by the contractor to switch to an alternate item than what has been ordered particularly if it does not offer your agency the best value.
- Price discrepancies covering items on the contract and/or contract website.
- Contractor offering promotional pricing exclusively to your agency. (Have the contractor to verify that the Office of State Purchasing has been properly notified, as promotional prices must be available to all contract users for a minimum of 15 days.)
- The selling of items that are excluded from contract.
- Non-deliveries, late deliveries or other delivery issues contrary to the terms and conditions of the contract

Please contact my office if you have any questions concerning this communication. My office staff and I will be happy to discuss this with you. Please circulate this memorandum to all parties in your agency that utilize state contracts. Thank you for your cooperation.